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Russian Federation

Trade Policy Monitoring

Imported Chicken Prices Continue to Grow 2003

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Report Highlights:

Prices for imported chicken leg quarters continued to grow in October, by about four percent. However, the gap between prices on domestic and imported chicken leg quarters is becoming smaller as domestically produced poultry prices fell in October. Domestic beef prices decreased in October over September 2003 due to traditionally high fall slaughter rates, while imported beef become more expensive. Alternatively, domestic pork prices rose as imported pork prices fell.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
[RS]

Prices on domestic poultry decreased in October, while prices for the popular imported chicken leg quarters continued to grow, by almost 4 percent. As a result, the gap between prices on domestic and imported chicken leg quarters became slightly smaller. Over the first ten months of 2003, imported chicken leg quarter prices have increased by 36 percent.

Table 1. Moscow Wholesale Poultry Meat Prices, January – October 2003

Date	Exchange Rate, ruble/\$	Domestic chicken			Imported chicken		
		Frozen carcasses	Frozen breasts, boneless	Frozen leg quarters	Frozen carcasses	Breast, boneless	Frozen leg Quarters
01/30/2003	31.80	42.81	58.28	47.05	38.55	55.47	34.69
02/28/2003	31.58	42.32	56.28	41.16	40.81	54.89	35.04
03/30/2003	31.38	41.68	55.17	42.27	42.15	54.15	34.92
04/30/2003	31.10	41.77	55.67	44.50	41.90	56.38	34.42
05/30/2003	30.67	43.93	57.62	45.00	43.76	62.17	39.55
06/30/2003	30.35	49.07	59.32	49.50	48.27	73.08	39.77
07/30/2003	30.25	53.55	78.00	50.83	55.78	81.69	41.76
08/30/2003	30.50	59.04	99.67	59.62	59.09	101.00	44.81
09/30/2003	30.61	59.96	108.00	61.09	58.58	107.77	45.45
10/30/2003	29.82	58.77	105.50	57.23	58.21	103.48	47.08

Source: Russian Institute for Agricultural Market Studies (IKAR)

Prices are in rubles per kilogram.

Domestic beef prices also decreased in October, an indication that high cattle slaughter in the autumn is a seasonal factor driven by expectations of short feed supplies. Alternatively, beef import prices increased by four percent. The pork import price picture is the opposite; domestic prices continued to grow, while prices for imported pork decreased slightly. This represents a reduction in the gap between prices for domestic and imported pork, which showed a 20 percent price preference for imports in September.

Table 2. Wholesale Prices, Offer Price, January – October 2003

Date	Exchange rate, ruble/\$	Domestic beef	Imported beef	Domestic pork	Imported pork
01/30/2003	31.80	50.17	48.40	48.75	45.50
02/28/2003	31.57	51.17	49.95	44.75	46.14
03/30/2003	31.38	48.67	48.01	40.37	44.90
04/30/2003	31.10	48.00	46.35	40.25	44.62
05/30/2003	30.66	48.00	48.52	41.02	48.45
06/30/2003	30.34	47.00	49.45	42.51	49.00
07/30/2003	30.24	49.00	49.30	42.39	49.11
08/30/2003	30.50	49.00	49.57	43.50	51.83
09/30/2003	30.61	58.00	52.75	51.33	61.60
10/30/2003	29.82	51.17	54.81	52.00	60.93

Source: Russian Institute for Agricultural Market Studies (IKAR)

Prices are in rubles per kilogram.

Meat and poultry price growth is affecting retail trade (customers) as retail meat prices slowly follow the wholesale price increase. To some degree, meat processors have shielded customers from the full price impact, lowering margins slightly.